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C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 001036

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TAGS: PGOV PHUM PREL KDEM TH

SUBJECT: THAT WAS FAST: SOMKID RESIGNS

REF: BANGKOK 0964

Classified By: Ambassador Ralph L. Boyce, reason 1.4 (b) and (d).

¶1. (C) SUMMARY: After less than a week, former Thaksin economic czar Somkid has resigned from his post in the current government. Somkid had volunteered to assist the Surayud administration and help stem the loss of international confidence by explaining the "sufficiency economy" policies adopted by the interim government (and inspired by the King). Although some saw the appointment as a clever strategy by the current PM, opposition rapidly built as the former PM's most strident critics heaped scorn on the government's apparent willingness to "whitewash" the architect of Thaksin's populist economic policies. The Somkid debacle is the government's latest self-inflicted wound and represents yet another warning to the government by staunch anti-Thaksin political forces that they will fight any compromises on their mission to hold Thaksin accountable for corruption and other crimes of which they accuse him. End summary.

NOW YOU SEE HIM, NOW YOU DON'T

¶2. (C) Last week, Prime Minister Surayud announced the appointment of former Thaksin economic strategist Somkid Jarusripitak to head an economic commission in charge of explaining the government's royally-inspired "sufficiency economics" policies to the international community. Today, Somkid resigned following a flurry of vitriolic criticism directed at the populist policies he advocated under Thaksin, at him personally, and at the current government for making the appointment.

¶3. (C) Opposition to Somkid's appointment built with surprising swiftness. Initially, some viewed the appointment as a clever strategy, a way to turn the tables on the wily former PM Thaksin, undercut his remaining support, and tempt other former followers to defect to the new government. These moderate voices were quickly drowned out by opposition from the hard-line anti-Thaksin forces, most prominently the PAD (People's Alliance for Democracy). The political parties, after a brief stunned silence, also began to criticize the decision bitterly.

¶4. (C) The political parties may have been most concerned about losing their competitive edge in the next elections. Somkid has long been viewed as the only possible replacement for Thaksin that could credibly emerge from the ashes of his Thai Rak Thai (TRT) party. Becoming the spokesman for the King's sufficiency economic theories, and helping the RTG out with the international community, would have gone a long way toward rehabilitating Thaksin's former economic czar. The reaction from some party leaders was very strong. Chart Thai party leader Banharn, who has assiduously avoided confrontation with the interim government, led the charge, telling the press, "It is as if the coup happened in vain. We might as well put Thaksin back in power." The leader of the Mahachon party said, "I'm concerned the government will not survive its term. The prime minister is a good man, so it is too bad his reputation will be destroyed because of this."

¶5. (C) Other responses were equally negative, and perhaps less self-serving. The PAD called for the PM to "reconsider" the appointment; it stopped short of threatening specific action if its demands were ignored, but implied it would not back down. The PAD, whose serial demonstrations mortally weakened Thaksin and paved the way for his ouster by the military, has been strangely quiet in recent months. Although prominent individuals from the PAD have been in the press, PAD as a group had not taken public positions to date.

The fact that the leadership of the coalition reassembled itself specifically to decry the Somkid appointment was therefore quite significant, and rather menacing. Opposition was also voiced in the press, among academics, and even in the appointed National Legislative Assembly, where one member

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announced he would file a motion to demand an explanation from the government for the appointment.

CONFLICT AVERSE

¶6. (C) At his press conference today, Somkid said that he had volunteered for this job because he wanted to help the country. He said he was resigning in order to end the conflict that had arisen, and to avoid being a burden to the prime minister, who had proved his desire for reconciliation by appointment Somkid to the job. Somkid reportedly cut short his travel in Japan in order to return and resign, and he immediately left again for vacation in Hong Kong.

COMMENT

¶7. (C) Somkid is known to dislike the rough and tumble of politics, but he still caved in surprisingly quickly to the outcry against him. This is a setback for his political aspirations, but perhaps not a fatal one -- former TRT leaders will expect to win their votes in the Thaksin heartland, not in the universities and editorial offices of Bangkok. It is a bigger blow for PM Surayud, who championed the appointment personally, and whose gaffe-filled administration is losing confidence at home and abroad. It's also another warning shot across the government's bow -- the hard-line anti-Thaksin forces have been dissatisfied with the lack of progress toward holding the former PM accountable for his many alleged crimes -- corruption, lese-majeste, authoritarianism. They will not easily accept the rehabilitation of Thaksin's cronies, or compromises, however sensible, on the anti-Thaksin mission.

BOYCE